



THE SECRETARY OF DEFENSE  
1000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1000

MAY 4 2004

The Honorable Ike Skelton  
Ranking Minority Member  
Committee on Armed Services  
U.S. House of Representatives  
2120 Rayburn House Office Building  
Washington, DC 20515

Dear Representative Skelton:

Thank you for your letter of April 2 regarding private security personnel in Iraq. A discussion paper provided by the Coalition Provisional Authority responding to the points that you raised is attached.

Some Private Security Companies (PSCs) under contract in Iraq provide personal security services for senior civilian officials as well as some visiting delegations. They also provide physical security for non-military facilities inside the Green Zone and convoy protection for non-military goods. In addition, they provide protection for Governorate Support Teams consisting of CPA personnel and government contractors who team with local Iraqi officials to develop local government structures and functions.

It is my understanding that most PSCs doing business in Iraq do not work directly for the U.S. Government. They work under subcontracts to prime contractors to provide for the protection of their employees. Many PSCs are hired by other entities such as Iraqi companies or private foreign companies seeking business opportunities in Iraq. The CPA has established a PSC Working Group to provide a forum in which PSCs exchange information, and approximately 50 PSCs are actively involved in this group. The Attachment includes a current listing of known PSCs operating in Iraq today.

A draft CPA order on regulating PSCs, which will require certain data from each firm, has been prepared with input from the Iraqi Ministry of Interior (MOI). The Iraqi MOI and Ministry of Trade will be largely responsible for the administration of this and any revisions that may be promulgated by the Iraqi Interim Government after June 30.



Finally, the Department of Defense (DoD) is drafting uniform guidance regarding PSCs employed in Iraq under contract using U.S. appropriations.

I hope this is useful. We can provide additional information or a briefing if you would like.

Sincerely,

A handwritten signature in dark ink, appearing to read "Zuhair", with a stylized flourish at the end.

Attachments:

As stated

cc:

Ambassador L. Paul Bremer

**ATTACHMENT**  
**DISCUSSION PAPER**  
**PRIVATE SECURITY COMPANIES OPERATING IN IRAQ**

**SUMMARY**

Private Security Companies (PSCs) operating in Iraq provide only defensive services. In the execution of these services, PSCs divide into two broad categories. The first category includes PSCs with which the Coalition Provisional Authority (CPA) contracts directly. The second category includes PSCs to which companies doing work for the CPA have awarded subcontracts. The overwhelming majority of PSCs are subcontractors. Because such information is proprietary and may have privacy implications, subcontracted PSCs and their parent companies generally do not make available details concerning the prices of their contracts, salaries, or number of employees.

The Ministry of Interior (MOI) is drafting regulations for the registration and vetting of PSCs. The regulations will comply with and complement existing and proposed Iraqi law and CPA orders, such as Iraq's new business law (CPA Order 64, which replaced the Iraqi New Company Law 21 of 1997). We anticipate completion of the PSC regulations sometime in May.

The Department of Defense (DOD) is coordinating with affected agencies to issue uniform guidance regarding PSCs employed in Iraq under contracts using U.S. appropriations.

**DISCUSSION**

CPA's Program Management Office (PMO), CPA Contracting, and the CPA-MOI have records of 60 PSCs in Iraq (Enclosure). Of those 60, the CPA has direct contracts with only 8, for obligations currently totaling about \$147 million: 81.4 million appropriated dollars and 65.5 million dollars in funds from the Development Fund for Iraq (DFI). It is important to note that more subcontracted PSCs will arrive in Iraq in support of the post-transition PMO reconstruction effort.

Approximately 20,000 personnel are employed by PSCs in Iraq. These employees are U.S. citizens, third-country nationals, and Iraqis.

PSCs provide three distinct security services: personal security details for senior civilian officials, non-military site security (buildings and infrastructure), and non-military convoy security. These services are defensive in nature.

PSCs work for the agency that contracts for their services. A PSC works for CPA if it has a contract with the CPA. If a PSC has a subcontract with a prime contractor to the CPA, then the PSC reports to the prime contractor.

Disciplining contractor personnel is the contractor's responsibility, not the CPA's. Normally, an individual who requires discipline is immediately removed from the country by the contractor. In the event that criminal accusations are made against contractor personnel, such accusations would be handled through a complaint made to the local Iraqi Police. In such a case, if the PSC employee was acting within the scope of his or her official employment under the terms and conditions of a contract with the Coalition Forces or CPA, and if the employee was not an Iraqi, then he or she would be immune from Iraqi legal process under the terms of CPA Order Number 17. The parent country of the contractor maintains a right

to waive the immunity. If, however, the PSC employee acted outside the scope of his or her official employment, the employee would be subject to Iraqi law. At this time, the approval of the CPA Administrator would still be required in order to proceed with legal action against a PSC employee.

Enclosure

LIST OF PRIVATE SECURITY COMPANIES OPERATING IN IRAQ

- |                                 |  |
|---------------------------------|--|
| 1. AD Consultancy               | 33. KBR  |
| 2. AKE Limited                  | 34. Kroll Associates   |
| 3. Al Hamza                     | 35. Meteoric Tactical Solutions                                      |
| 4. Armor Group                  | 36. Meyer & Associates   |
| 5. Babylon                      | 37. MVM  |
| 6. Bechtel                      | 38. NAF Security   |
| 7. BH Defense                   | 39. Neareast Security  |
| 8. BHD                          | 40. Olive  |
| 9. Blackheart International LLC | 41. Omega Risk Solutions   |
| 10. Blackwater                  | 42. Optimal Solution Services  |
| 11. BritAm Defense              | 43. Orion Management   |
| 12. Castleforce Consultancy     | 44. Overseas Security & Strategic<br>Information, Inc/Safenet – Iraq |
| 13. Control Risks Group         | 45. Parsons  |
| 14. CTU ASIA                    | 46. RamOPS Risk Management Group                                     |
| 15. Custer Battles              | 47. Reed   |
| 16. D.S. Vance                  | 48. RONCO  |
| 17. Diligence Middle East       | 49. Rubicon  |
| 18. DTS Security                | 50. SAS/SASI   |
| 19. Dyncorp Intl                | 51. Sentinel   |
| 20. EODT                        | 52. SGS  |
| 21. Erinys                      | 53. Smith Brandon Int  |
| 22. Excalibre                   | 54. SOC-SMG  |
| 23. GE International Inc.       | 55. Sumer International Security                                     |
| 24. Genric                      | 56. Tarik  |
| 25. Global                      | 57. Triple Canopy  |
| 26. Group 4 Falck A/S           | 58. Unity Resources  |
| 27. Hart Group                  | 59. USA Environmental  |
| 28. Henderson Risk Ltd          | 60. Wade-Boyd and Associates LLC                                     |
| 29. Hill & Associates           |  |
| 30. ICP Group Ltd               |  |
| 31. IRC                         |  |
| 32. ISI                         |  |